

**QUARTERLY MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #1
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
September 3, 2024 at 1:30 p.m.
8805 Independence Way, Alamosa, CO 81101
And by Zoom Teleconference**

Present: Jake Burris, President; Clay Mitchell, Vice President; Michael Jones, Secretary/Treasurer; Miguel A. Diaz, BOM; Tony Holcomb, BOM; Chris Miner, BOM; Jamie Hart, BOM; Brett Hemmerling, BOM; Patrick Brownell, BOM; and Mike Kruse, Ex-Officio Member.

Absent: James Cooley, BOM.

Staff and Consultants: Pete Ampe, Hill & Robbins P.C.; Taylor Chick, Program Manager; Linda Ramirez, Program Assistant; Wylie Keller, Water Resource Specialist; Michael Carson, Database Administrator; Clinton Phillips, Davis Engineering; Kylie Gregg, Office Manager; Chris Ivers, Program Manager; and, April Mondragon, Administrative Assistant.

Guests: Deb Sarason, Sally Wier, Les Alderetti, Brian Rue, Barbara Macias, Ryan Morgan.

Meeting Called to Order

President Burris called the meeting to order at 1:30 p.m. The Pledge of Allegiance was recited, a quorum was present.

Approval of the Agenda

President Burris asked for changes, additions or approval of the agenda. A motion was made by Tony Holcomb to approve the agenda as presented. The motion was seconded by Clay Mitchell and unanimously approved.

Approval of the Minutes

President Burris asked for approval of the following minutes:

- June 4, 2024-Quarterly Meeting
- June 4, 2024-Executive Session
- July 23, 2024-Special Meeting
- July 23, 2024-Executive Session

A motion was made by Clay Mitchell to approve the minutes as presented. The motion was seconded by Tony Holcomb and unanimously approved.

Public Comment

President Burris asked for public comment. There was none.

Program Manager's Report

President Burris asked for the Program Manager's report.

- *Financial Report*

Taylor Chick presented the Balance Sheet. He went over the CREP funding and highlighted a transfer in from the CD into the CREP account. Mr. Chick reported on the total assets, accounts receivable and total current assets. He highlighted the liabilities and equity and presented the Profit and Loss Statement.

A motion was made by Chris Miner to approve the financial report as presented. The motion was seconded by Clay Mitchell and unanimously approved.

- *Program Manager's Report*

Taylor Chick updated the Board on current business. He reported finalizing payout obligations on the Senate Bill Incentive program. Pete Ampe explained the deadline extension. Mr. Chick provided the amount of funds remaining to incentivize the Senate Bill program and reported on the phone calls made to all the individuals that would qualify to see if they had interest in participating, there were a couple of individuals interested. Mr. Chick reported meter reading requests had been sent out and work had begun on the preliminary budget. He gave an update on surface water inclusion agreements/addendums, and went over the current 2024 ARP depletion replacement operations. Mr. Chick updated the Board on the Subdistrict No. 1 properties including the White property recharge pit and the potential drilling of a new monitoring well on the Medano property. He also reported on the conversations with CPW regarding elk management.

Attorney's Report

President Burris asked for the Attorney's report. Pete Ampe updated the Board on the filing by SWAG and NEWA to create the proposed Southern Colorado Water Conservancy District. He reported the hearing was set for October 17th and explained how the conservancy district may overlay the San Luis Valley Water Conservancy District. Mr. Ampe went over the timeline and reported the Subdistrict could object to the Plan of Water Management. Discussion was held on the boundary lines of the proposed water conservancy district, the sustainability metric, number of circles and the amount of surface water.

Engineer's Report

President Burris asked for the Engineer's report. Clinton Phillips presented a map of the San Luis Valley unconfined aquifer storage study area. He provided the change for August 2024, the change between August 2023 and 2024, the current aquifer level, current five (5) year average and the acre foot needed to get to the -400,000 level. Mr. Phillips presented a snapshot of the study period and reported being close to the lowest level ever recorded in the study period. He reported drafting letters to the State Engineer and Willum regarding the effect the new Plan of Water Management would have on the model.

Discussion and Possible Action Items

President Burris asked for discussion and possible action items.

- Budget Committee Member Replacement

President Burris nominated Patrick Brownell to replace Sheldon Rockey on the Budget Committee. Patrick Brownell agreed to serve. Taylor Chick reported the Budget Committee consists of Patrick Brownell, Clay Mitchel and Jake Burris.

- 2025 Preliminary Budget

Taylor Chick updated the Board on the Subdistrict's YTD standings. He highlighted the roll over admin budget, Board of Manger reimbursements, office expenses, the well measurement program expenses, professional services fees and public outreach. Mr. Chick went over the CREP rollover, the available budget, the obligations and amount to rollover to next year's budget. He reported on the projected variable fee, expenditures, conservation, appeals and the projected ending variable fee balance. Mr. Chick highlighted the unrestricted funds beginning balance and the ending total fund balance. A discussion was held on the amount of projected over pumping.

The Board took a break at 2:40 p.m. and resumed at 2:50 p.m.

A motion was made by Tony Holcomb to approve the preliminary budget as presented. The motion was seconded by Chris Miner and unanimously approved.

- Access Agreement with CPW for Medano Property

Taylor Chick presented the Right of Entry and Access Agreement for the Medano property. He reported on conversations with CPW on an access agreement for elk management. He explained the Subdistrict would retain and maintain the water on the property. Mr. Chick described the access agreement as a way for the Subdistrict to limit their liability and manage the elk on the property. He explained the steps CPW would take to manage the elk and reported they did not have interest in purchasing the property at this time. Pete Ampe explained the agreement can be canceled at any time. Mike Kruse asked for conversations to continue on selling the property.

A motion was made by Michael Jones to approve the agreement as presented. The motion was seconded by Clay Mitchell and unanimously approved.

- Contract Addendum

Taylor Chick presented the McCullough contract addendum. He highlighted the original contract was approved pending a consumptive use analysis. Mr. Chick explained how the well had been used and reported on the change case in 2007. Deb Sarason reported on the application for a new permit to address the consumptive use. Mr. Chick highlighted how the well was currently being assessed and went over the current situation analysis. President Burris reported being hesitant to do anything until the permit issue is resolved.

A motion was made by Jamie Hart to table the contract addendum pending further consumptive use analysis/permit process. The motion was seconded by Chis Miner and unanimously approved.

- Surface Water Inclusion Agreement

Taylor Chick reminded the Board of a similar inclusion agreement on a portion of land with Excelsior Ditch shares requesting to include a sliver of land within the Subdistrict No. 1 Response Area Boundary. He presented the proposed Luther and Betty Huddelson Surface Water Inclusion Agreement. He

provided the specific conditions of the property including it being under a conservation easement. Mr. Chick presented a map of the property, he provided the number of Excelsior shares, the legal description, the county parcel number and the total number of acres. He provided the total irrigated acres, highlighted the parcel and the Subdistrict No. 1 boundaries and response area. He explained how the last one similar to this case was calculated. Deb Sarason commented on the drain ditch next to the property that delivers groundwater back to the river. Mr. Chick reported that these irrigation surface water inclusion agreements are on a one-year basis and are reconsidered each year. Pete Ampe explained how the response area boundaries were set and the process that would be required in order to change it. Mr. Chick recommended one year approval to be included in a farm unit.

A motion was made by Jamie Hart to approve the surface water inclusion agreement to be renewed annually. The motion was seconded by Chis Miner and unanimously approved.

- 2024 Fallow Program Review

Taylor Chick presented the 2024 One-year ranked fallow program review. Subdistrict No.1 staff reviewed the cropping history, the acre foot of water used, the crop rotations, and whether or not there was an actual reduction of pumping in this program. Mr. Chick presented a list of the fallow contracts, the averages set to retire, projected acre foot, amount of actual reduction, total cost and the coefficient cost per acre foot.

- 2025 Fallow Program Development

Taylor Chick presented the new 2025 fallow bid ranking calculations. He explained how bids could be calculated/ranked. Discussion was held on possibly putting a cap on the amount of water usage and what other changes, if any to make to the program. Pete Ampe reported an announcement could be made informing the public of the Subdistricts intention to organize another fallow program similar to the last one. He asked the Board to think about if they want to use the five (5) year average or the two (2) lowest years. President Burris stated the matter would be discussed again before taking a vote.

Executive Session to Receive Legal Advice Concerning Potential Purchase of Real Property, and to Receive Legal Advice Thereto

President Burris asked for a motion to enter into executive session to receive legal advice concerning potential purchase of real property, and to receive legal advice thereto. A motion was made by Michael Jones at 3:55 p.m. to enter into executive session. The motion was seconded by Clay Mitchell and unanimously approved.

Mr. Ampe stated the Board was entering into executive session pursuant to section 24-6-402(4)(a) to receive legal advice concerning potential purchase of real property, and to receive legal advice thereto. The Board would take no formal action or position during the executive session.

Board of Mangers Open Discussion

President Burris asked for Board of Managers Open Discussion. Staff was directed to continue negotiation regarding the potential purchase of real property.

New Business

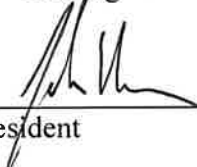
President Burris asked for new business. There was none.

Next Meeting

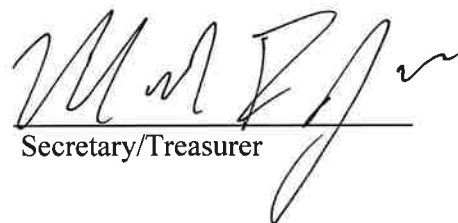
The next quarterly meeting is scheduled for December 3, 2024 at 1:30 p.m.

Adjournment

The meeting was adjourned at 4:47 p.m.



President



Secretary/Treasurer